

NEW YORK HERALD.

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EDITOR AND PROPRIETOR.

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ADVERTISEMENTS, to a limited number, will be inserted in the WEEKLY HERALD, the EUROPEAN and CALIFORNIA Editions.

Volume XXX..... No. 28

AMUSEMENTS TO-MORROW EVENING.

WINTER GARDEN, Broadway.—HAMLET.

WALLACE'S THEATRE, Broadway.—CHARLES II.—UNION JACK.

OLYMPIA THEATRE, Broadway.—THE STREETS OF NEW YORK.

NEW BOWERY THEATRE, Bowery.—MAKING A DOG OF HIS HEAD.—HOCKEY.

BOWERY THEATRE, Bowery.—DAME TROT.—MICHAEL KATZ.

NIBLO'S GARDEN, Broadway.—LAKES OF KILLARNEY.—TAKING COURTIERS.

BROADWAY THEATRE, Broadway.—THE LITTLE INDIAN.—PAUL TIE.

BARNUM'S MUSEUM, Broadway.—TWO MAMMOTH FAY TOMES.—LIVING SKELTONS.—DWARF.—LEARNED SEAL.—THE SLATES.—THE UNION PRISONER.—Day and Evening.

BRYANT'S MINSTRELS, Mechanics' Hall, 472 Broadway.—ETHIOPIAN CORUS, DANCES, BURLINGUES, &c.—BILLY PATTERSON.

WOOD'S MINSTREL HALL, 514 Broadway.—STREETS OF NEW YORK.—THE PLAY HILL.—JACK.—ETHIOPIAN CORUS, DANCES, &c.—THE MAGIC THEATRE.

SALLE DIABLOQUE, 555 Broadway.—ROBERT HALL'S LEMON'S IN MUSIC.

DODDTHORP HALL, 806 Broadway.—MR. GEORGE VAN DERBEEK'S READING.

AN AMBUSH AT CO'S MAMMOTH MENAGERIE, 10th and 5th Avenues.—Open from 10 A. M. to 10 P. M.

HIPPODROM, Fourteenth street.—EQUESTRIAN, GYMNASTIC AND AEROBIC ENTERTAINMENTS.—HARRISON BURNHAM.

AMERICAN THEATRE, No. 444 Broadway.—BALLETS, FANTASIES, &c.—THE MAGIC THEATRE.

HOOLEY & CAMPBELL'S MINSTRELS, 190 and 201 Bowery.—BONES, DANCES, BURLINGUES, &c.—LION DANCE.

NEW YORK MUSEUM OF ANATOMY, 613 Broadway.—Open from 10 A. M. till 10 P. M.

New York, Sunday, January 29, 1865.

THE SITUATION.

Mr. Blair's Richmond mission appears to have resulted in no advantage whatever towards the attainment of peace. Jeff. Davis still maintains his attitude of negotiation a recognition of the independence of his confederacy, and President Lincoln, though willing to receive commissioners from the rebels, can, of course, only treat with them on the ground of their submission to the national government. This is the understanding of the present position of the case which is entertained in Washington; but in Richmond a different statement is made. The *Enquirer* of that city, of Thursday last, contained a furious article on the subject of Mr. Blair's mission, in which it asserted that he was empowered by President Lincoln to guarantee the rebels protection and extension of slavery, full compensation for all negroes that have escaped during the war, "anything and everything," if they will only consent to return to the Union. "But," the article continues, "we are not fighting for slavery. We intend to be independent and free, or to be exterminated; and every one who dares to talk of any other type of peace is denounced as a traitor of the deepest dye. It is added that Mr. Blair subsequently suggested that the United States might consent to a recognition of the confederacy provided the latter would agree to unite in a league for the enforcement of the Monroe doctrine throughout the American continent.

The steamer *Arago* arrived here yesterday from Savannah, bringing us interesting despatches from our correspondents in that city. General Sherman, in whose command is now embraced the Department of the South, has issued an important order for the regulation of trade in those portions of the States of Georgia, South Carolina and Florida within the Union lines. All commerce with foreign nations is, of course, for the present interdicted. Trade stores, under military protection, are to be opened at various places, to which the inhabitants can bring in their produce and receive in exchange such supplies of food and clothing as they may need. All sales of cotton are to be made to the United States Treasury agents. General Geary has been relieved from the military governorship of Savannah, and has been succeeded by General Oviar Grover. The City Council adopted resolutions complimentary to General Geary's administration. The steamships *Daniel Webster*, *Rebecca Clyde* and *Greyhound* had all arrived, with their supplies for the sufferers of Savannah contributed by the people of this city and Boston. The three vessels contained food and clothing to the value of about one hundred thousand dollars. The distribution of the articles was being proceeded with in the public market building. Free tickets were issued by the authorities to the needy, comprising all classes and both sexes and colors, who thronged the market place, and were bountifully supplied.

Late Richmond papers contain an official despatch from General Hardee stating that General Sherman has yet made no movement up the Savannah river, while rebel rumors assert that he is moving on Augusta, Ga., by way of Blakelyville. General Hill has ordered the removal of the rebel powder works from Augusta, in case of a design of Sherman to capture the town being disclosed.

By the arrival here yesterday of the steamships *Evening Star* and *Pung Shuey* we have despatches from our New Orleans correspondents to the 21st inst. General Gordon Granger was in that city, having temporarily abandoned the further prosecution of his expedition in the direction of Mobile, in consequence of the bad state of the roads. His forces had returned to Pascagoula. Maximilian's commander at Matamoros had agreed to give up to the rebel commander at Brownsville, Texas, the deserters from his army and Union men who had taken refuge on Mexican soil, and some of them had already been delivered. The rebel forces in Texas are said to consist of a great extent of conscripted Guineas, who escape whenever they can. They are

constantly deserting and crossing the Rio Grande. One hundred in a body deserted in one day and reached the Mexican side of the river. These men, becoming alarmed at the prospect of their return to Texas by the Mexican Emperor's officers, are leaving Matamoros as rapidly as possible. Governor Hahn, of Louisiana, had issued a proclamation congratulating the people of Missouri and Tennessee on the adoption of the ordinance abolishing slavery in those States, and appointing the 24th inst. as a holiday in honor of those events. A Union gunboat lately made a reconnaissance up the Red river as far as the mouth of Black river, and dispersed a rebel camp, the only force of the enemy discovered.

Some of the Richmond newspapers have stated that the rebel fleet on James river made another attempt to pass the Union batteries and obstructions after their failure of last Tuesday. But this is not so. It is contradicted by our own despatches and also by the Richmond *Whig* of Thursday evening, which stated that the vessels of the fleet still remained at their first position up the river.

By the extracts from rebel journals which we publish this morning, it seems that Jeff. Davis, in accordance with the designs of the rebel Congress, has appointed General Lee commander of all the rebel armies, and placed General Joe Johnston at the head of the Army of Northern Virginia, the position made vacant by the assumption of his new command by General Lee. Rebel reports from North Carolina state that a large Union raiding party is moving up the Chowan river in the direction of Weldon, and that the pirate Tallahassee was captured in New Inlet on the 18th inst. by Admiral Porter's fleet. A Washington despatch reiterates the latter report; but there is no official confirmation of it. The Richmond *Examiner* says that all the blockade runners in Cape Fear river escaped to sea before the fall of Fort Fisher. It is said by the rebels that General Thomas will attack or attempt to flank Hood within a very short time. A Charleston despatch of the 24th inst. says the Union pickets extend a great distance west of Pocomo, on the Charleston and Savannah Railroad, and that the road has been partially destroyed, the piers burned and the iron taken away. Another Yankee raid on Florida salt works is reported. Jeff. Davis has issued a proclamation assigning the 10th of March as another fast day. It is said that Beauregard is to take command in person of Hood's army.

Three hundred Indians made their appearance at Valley station, Nebraska, yesterday morning, and ran off six hundred and fifty cattle and burned one hundred tons of government hay. A party of twenty soldiers attacked the Indians and killed twelve of them.

EUROPEAN NEWS.

The steamship *Cuba*, from Liverpool on the 14th and Queenstown on the 16th inst., arrived at this port yesterday, bringing European news two days later than that furnished by the *Hibernian*, published in yesterday morning's *Herald*.

The replies of the governments of Sweden and Holland to the manifesto of the rebel Congress, setting forth the designs of Jeff. Davis' government, are published. Both decline to sever from the neutral position which they have hitherto maintained.

The Paris correspondent of the London *Pest* notices and discredits fresh rumors that Napoleon designs recognizing the Southern confederacy. The writer also says that there is a great antipathy to England entertained by American statesmen, and that the British Minister to this country has consequently severe difficulties to contend with at Washington.

The blockade running steamer *Lelia*, from Liverpool for Wilmington, was wrecked on the 15th inst. off the bar of the Mersey, and became a total loss. A large number of persons on board of her were drowned.

We have received the full text of the bill providing for the abandonment of all claims to St. Domingo by Spain, which has been laid before the Spanish Cortes by the Ministry.

The number of French war vessels to be disarmed in now announced as thirty-three. The London *Globe* advises the English people not to expect any reduction this year in the expenditures for the British army and navy.

The Mosely cotton spinning firm of J. Schofield & Sons had failed for about one hundred and thirty thousand dollars. There were rumors of the failure of other large firms.

The Bank of England had reduced its rate of discount from six to five and a half per cent. Consols closed in the auction on the 14th inst. at from eighty-nine and three-fourths to ninety for money. The Liverpool cotton and breadstuffs markets were dull and inactive. Provisions were firm, and produce was quiet and steady.

CONGRESS.

In the Senate yesterday a bill was introduced increasing the compensation of members of Congress from three to five thousand dollars per annum. A resolution, providing for the publication of the correspondence of President Madison, was adopted; also a resolution calling for information as to the number of troops furnished by each State on the different calls for troops. The remainder of the session was devoted to debate upon the resolution for the appointment of a committee on the corruptions of the government, and the proposition to retaliate upon the rebels in kind for the barbarities to Northern prisoners of war.

The House of Representatives was engaged in discussing the proposed amendment to the constitution, prohibiting slavery throughout the land. The question on the adoption of the resolution will probably be taken on Tuesday next.

THE LEGISLATURE.

In the State Senate yesterday bills were introduced for the correction of amendments and the equalization of taxes; also to incorporate the New York and Brooklyn Passenger and Transit Company, when a quorum not being present, the Senate adjourned until Monday morning.

The Assembly was not in session, having adjourned over until Monday evening at half-past seven o'clock.

MISCELLANEOUS NEWS.

The frost held full away again yesterday. The mercury got down very near zero early in the morning, standing at six o'clock only five degrees above that shivery and shabby point. Five hours later it rose to eighteen degrees, and varied between that point and two degrees higher until evening, when the tendency was again downward. We were informed last night by one of the Heligade pilots that the East river was entirely frozen over from Throggs' Point to Riker's Island. The skating, of course, continued excellent on all the ponds yesterday, and the lovers of curling enjoyed good sport on the Fifty-sixth street pond. Already this season there have been some thirty-two days of skating almost unintercepted.

In the United States District Court yesterday, before Judge Bates, libels were filed in the cases of the blockade running steamers *Charlotte* and *Stag*, captured in Cape Fear river by Admiral Porter's fleet. The *Charlotte* arrived here on Friday, and the *Stag* yesterday.

A large supply of the new three cent currency stamps have been received at the Sub-Treasury, in Wall street. This new issue has already been described in the *Herald*, and the public are doubtless very familiar with it by this time, as it has been liberally given out by the city railroad conductors, in change, during the past week, on most of the lines in this city. The Sub-Treasury will be prepared to sell packages of it to morrow.

The Senate committee having in charge the investigation of the administration of our city government, continued the taking of testimony yesterday in regard to the affairs of the City Inspector's Department. Three witnesses were examined, including Mr. Richard A. Horne, Deputy Comptroller of this city. The evidence was very interesting. The committee will resume their labors at half-past ten o'clock to-morrow morning.

The steamship *Commander*, from Savannah, for New York, with a full cargo of General Sherman's captured cotton, was seen off Smith's Island, on the 5th inst., with loss of mider.

Over fifty persons, against whom no charges could be found, have been released from the Old Capitol prison in Washington since an investigation regard those concerned there has been ordered by the House of Representatives.

Thirty-six persons were killed and sixty-nine wounded by the explosion of a boiler on board the steamer *Scipion*, at Johnsonville, Tennessee, on Friday morning. An inquest was held yesterday over the body of John

son R. Pollock, who died from the effects of a pistol shot received on last Wednesday evening, in a house on the corner of Church and Lefferts streets. It had been supposed that Pollock was deliberately shot by a man named Harry Volterres; but the testimony taken by the Coroner seemed to indicate that the shooting was accidental, it being alleged that the pistol exploded while Volterres was trying to wrench it from the hands of Kate Burke, alias Catherine Hunt, in whose apartments the fatal affair occurred. This woman was committed to the Tombs to await the action of the Grand Jury, and a warrant was issued for the arrest of Volterres, who is still at large.

A coroner's inquest was held yesterday in the case of Mr. Samuel Dick, a retired merchant, seventy years of age, who committed suicide by hanging on Thursday evening last, in an upper story of his residence, in Stanton street. No cause for the rash act is known.

Mrs. Susan Plaster fell into the East river and was drowned on Friday evening while endeavoring to get on board the schooner *Kate Brigham*, of which her husband is captain.

The warden of the Bloomingdale Lunatic Asylum, while riding up the Bloomingdale road on Friday evening, was attacked, near Ninety-first street, by two highwaymen, who robbed him of a valise containing articles of trifling value. The robbers escaped.

Two men, who gave their names as John Moore and William Brooks, were yesterday committed to the Tombs, charged with being hotel thieves and breaking into the room of one of the guests at the Washington Hotel, Broadway, on Friday night, and attempting to rob him. A lot of burglar's tools were found in their possession.

They are the same men who were arrested about two weeks since at the Boy Street House, but who were subsequently discharged, owing to lack of evidence against them.

A fire occurred early yesterday evening in the restaurant No. 106 Maiden lane, caused by the explosion of a kerosene lamp. Mr. Bendix, the proprietor of the place, was severely burned, and another man received less serious injuries. The fire was extinguished before it had done much damage to the premises.

The stock market was firm yesterday. Governments were a shade stronger. Gold was active, but drooping, and after opening at 220, closed at 212 1/2.

Commercial affairs were irregular on Saturday, owing to the fluctuations in gold. Nearly everything was firmer, however, and some articles were higher. There was some improvement in domestic produce; but imported goods were, as a general thing, quiet. Cotton, petroleum, &c. were higher. On 'Change the four market was 5c. a 10c. higher, while wheat advanced 3c. a 4c., with rather more doing. Corn was steady, while oats were quiet and without decided change. Pork was irregular and less active, but steady. Lard was quiet, but firmer. Whiskey was quiet, but firm.

The Rebel Naval Raid on the James-
Lee's Last Attempt—His Failure.

The recent rebel advance down the James river was a movement of a peculiar nature and of not a little importance. It was one that in case of mishap could be made to seem a very small matter, and so save its projectors the obloquy of failure; but it was a movement that in case of success had within it the possibility of a very great result. It was, as the Richmond papers tell us, planned by General Lee. It had therefore an association with army operations, and was to accomplish not so much a naval as a military purpose. It was, we have no doubt, the premier pas of a rebel advance, the tentative toward one more attempt to drive Grant from his position on the James, or at the least to inflict a severe blow upon his army. It may even be the very move with which we were some time ago told that General Lee was to astonish the world; but, however that may be, it was unquestionably a movement which Lee could have turned to great advantage had it been crowned with success.

Let us review the position in which it found us, and upon which it was premised. Grant's army is cut into two unequal parts by the James river. The advantage of holding both sides of the river as Grant does is great. It enables him to menace the enemy on either wing, and to gain the greatest advantage of superior numbers, and it is this fact and his position that is perhaps most dangerous to the enemy. On the other hand, to have the parts of an army separated by a river has always danger in it. Grant provided against that danger with great care at the commencement. It will be remembered that when in the summer Admiral Lee could not give positive assurance that the enemy's rams should not come down the river, General Grant sunk boats in the channel and obstructed the river in that way. Safety from such an advance was positively necessary. Without it his base, his line of communication and supply, would always have been at the enemy's mercy, and he might have been forced to retreat at any hour. Moreover, the line of communication between the two parts of the army could have been severed and the parts overwhelmed in detail.

Against these possibilities the obstructions and the naval force in the river were counted upon to insure us. But it happened that we were at once deprived of both these reliances. All our iron-clads except one, we believe, were absent, at Wilmington or Hampton Roads. As for the obstructions, they appear to have fared badly in the freshet, and, at all events, the water was so high that the enemy deemed it quite possible that his ships could go over. Here, then, was his opportunity. He might at a blow destroy Grant's base at City Point and break up his whole establishment there, though the harm done might be only temporary, the amount of property destroyed would be great, and its moral effect would greatly revive the rebel soul. But the least that could be expected of the advance would be to isolate the part of Grant's army on the north of the James from support and reinforcement, and Lee then could hurl his whole force on it, destroy it, and recapture all the forts now held by our troops on that side.

Could not Lee's troops once more be established on the north side as far as Chapin's or Deep Bottom, and co-operating with the rebel iron-clads, seriously embarrass the re-establishment of Grant's base at City Point; and might this not even compel him to open another line. All this was possible; and this was the programme. For while the iron-clads came down, on Tuesday, one of them coming with perfect safety over the obstructions, Lee's troops were under arms. His artillery opened all along the line on the South side; but on the north side there was even greater activity. Preparations for active operations were begun there as early as Sunday night; and a Richmond paper, acquainted with that fact, but not with the object, construed those preparations as an apprehension that we were to advance. It was even reported in Richmond, on Wednesday, that this co-operative movement of Lee's troops had been made, and that Battery Harrison had been retaken. But expectation ran ahead of the truth, and in the failure and destruction of the iron-clads, we see one more victory for Grant, and one more disaster to the rebel cause. Had Lee succeeded, he would have lost Wilmington at a good price; but yet his disaster does not have its full effect against his cause, because the Richmond people do not seem to understand at all what was expected of the attempt. Hence they do not know how great the failure was.

The Greatness of This Country and the
Prospects of a Foreign War.

The extraordinary military and naval operations of this war—the recent capture of Fort Fisher, Sherman's grand march and occupation of Savannah, the demolition of Fort Sumter, the taking of Fort Pulaski, passing and capturing Forts St. Philip and Jackson at New Orleans, and Morgan and Gaines at Mobile, and the brilliant storming of Fort McAllister on the Ogeechee, have been a preparation or rehearsal for a foreign war, and the present civil contest is therefore of the greatest possible advantage to this country in its development as the leading nation of the world.

Taught by a dear but valuable experience, we are now equally strong for attack and defence. At the close of the war of 1812 our military engineers established a chain of formidable forts along our Atlantic coast, from Maine to the Rio Grande. These forts were designed to protect us from another foreign invasion; but before they were required for that purpose the rebellion broke out, the rebels seized our Southern fortifications, and it became necessary for us to recapture them. Thus, by a singular combination of circumstances, we have been compelled to test the strength of our own works. The result of this test, briefly stated, is that our present forts can be taken if the enemy can effect a landing with any considerable body of troops. We know this, because our own soldiers have retaken them all, with the exception of Fort Sumter, which we have reduced to a mass of ruins, and Fort Caswell, which is said to have been blown up by the rebels. It is, perhaps, hardly fair to estimate the bravery of English or French troops by that of our own armies; for Admiral Porter says that Fort Fisher is much stronger than the Malakoff, which the flower of the English and French armies failed to storm; and yet we captured Fort Fisher with but a few men and comparative ease. But still we can congratulate ourselves that we have been the first to discover the weak points of our coast defences, and that, with the knowledge thus gained, we shall be able to render those defences perfectly impregnable in case of a foreign war.

Within a year or two after the rebellion is subdued and the Union restored we shall have a cordon of the most powerful fortresses ever built. All the faults of the present forts will be avoided. Our new defences will not be composed of masonry which crumbles away during a heavy bombardment. Earth and iron will be the materials, and the combinations will be those suggested by the experiences of this conflict. The new forts will be armed with the best and largest rifled cannon, like that which throws a one thousand pound ball. They will be so arranged as to be unassailable from front or rear. The places where our troops have landed, and where foreign troops might land, will be effectually guarded. With such defences at every harbor and every exposed point along the coast it will be impossible for an enemy to do us any damage. Besides these forts we shall have iron-clads and floating batteries, themselves a perfect defence. These may be relied upon to sink the enemy's transports and drive off his armed vessels. Should he pass through this outer line—the chain of ocean forts—the harbor defences will have to be encountered. Should he succeed in landing, he will be received by an army of veterans, larger and braver than the world ever saw before. By our railroad system, as illustrated on a smaller scale by the railroad system of the rebels, we can transport as many of these soldiers as are needed to any part of the coast with extraordinary rapidity. The sea coast and the lake coast will be equally well defended, and the enemy will be at a disadvantage whether he makes Europe or Canada his base of operations. In the event of such a war, however, Canada will be seized and garrisoned before the enemy can cross the ocean. Before a foreign army would be able to begin a campaign here it would have to meet and vanquish, first, our powerful ocean navy, reinforced by iron-clads; second, a series of iron-clad floating batteries along the coast; third, a chain of impregnable earthworks, and, fourth, an army of veterans which would oppose its landing. As this would evidently be impossible for any foreign army, so an invasion of this country would be impossible.

It follows, therefore, that our next foreign war will be fought, not upon American soil, but upon the Atlantic and upon the other side of the Atlantic. The chances of such a war would consequently be overwhelmingly in our favor. Our navy is already quite equal to the combined navies of England and France, and in five years more we shall be absolutely without a rival as a maritime power. We know that we can capture any English or French forts, because we have already captured forts just like them, and even better, along our own coast. In the event of a war, then, both London and Paris will be at our mercy. The generals and the soldiers who marched gaily through Georgia would think nothing of marching through France or across the little island called England. In his official report of the conduct of the iron-clads at Fort Fisher Admiral Porter says:—"The Monitor is capable of crossing the ocean alone, when her compartments are once adjusted properly, and could destroy any vessel in the French or British navy, lay their towns under contribution, and return again, provided she could pick up coal, without fear of being followed. She could certainly clear any harbor on our coast of blockaders, in case we were at war with a foreign Power." If a single iron-clad could do all this, what exploit would be impossible to a fleet of such invincibles! The wooden ships of foreign navies would be crushed like eggshells by our rams and mammoth guns; while as for the iron-plated frigates recently built in Europe, they are not half so formidable as were those rebel monsters, the *Merrimac*, the *Atlanta*, and the *Tennessee*, all of which proved worthless in comparison with our iron-clads and our brave hearts of oak. Clearly, therefore, we should find nothing to prevent our landing upon a foreign coast, and what force could withstand our veterans when once landed? The present war has been fought under tremendous difficulties of location. Napoleon's crossing the Alps was child's play compared to Sherman's advance over the mountains from Chattanooga to Atlanta. Napoleon had no force to dispute his passage, except the cold and the snow, while our soldiers met and whipped the rebels along the clouds. Most of the battles of this war have occurred in swamps and forests, where French or English officers would have declared it impracticable to manoeuvre troops, and where the armies had to cut roads and

turn great rivers into new channels to get at each other. And if we have done so well under such circumstances, where is the foe that could stand against us in the open field? And where is the section of France or England which we could not overrun?

Americans have been too often reproached with hyperbole, and their talk about whipping the world has been too often ridiculed by foreign philosophers ignorant of our real powers. But the present war has shown that what seemed hyperbole is sober truth, and that our boasts are rather under than above the facts. Here is a country, not yet a century old, which has made miracles practical and achieved the impossible. Our history reads like a romance, but it is plain history after all. Ten years ago the man who predicted that we could raise an army of a million of men would have been imprisoned as a lunatic; but there is the army. Ten years ago no one dreamed of iron-clad batteries; but there is a fleet of them. Ten years ago the idea of a thousand pound cannon ball would have been scoffed at; but we have used such balls in this war. Everything that our foreign critics have asserted to be beyond human power to accomplish we have performed. They said that we could not raise one grand army, and we have raised a dozen. They said that we could not retake a single fort, and we have reduced them all. They said that Sherman could never cross the mountains or reach the coast, and he is in Savannah. They said that we could not blockade the Southern ports, and they are all sealed up. They said that we could not sustain a national debt, and we do sustain it. They said that we could not continue the war, and we have continued it. They said that we could not survive the loss of our commerce, and we have survived it. They said that cotton was king, and we have dethroned it. They said that we could not conquer the South, and it is practically conquered to-day. Upon every prophecy, great or small, they have been beaten. And yet our power has not been half developed at the North. The country is a giant, but it is a young giant, capable of greater feats in the future. We have within our borders everything necessary to make us successful in war and comfortable in peace. We are completely independent of the rest of earth. No other government ever instituted has shown itself so powerful as this republic. Look at the facts and the figures; regard the present, not the old fog past; recognize what is accomplished, and then say what will be the future of a nation so glorious in its earliest infancy. We assert, without fear of reasonable contradiction, that no one can set bounds to the greatness of the United States; and that, in the event of a foreign war, we shall not only defeat the European Power with which we are engaged, but we shall actually dictate a peace in the capital of the enemy and annex its territory to this government, if it be worth annexing.

The Demoralization of the South.

From whatever point of view we regard the rebellion, it presents an aspect of complete demoralization. Our victories throughout the last year have shown with most convincing distinctness that longer resistance in the rebellious States is merely hopeless, purposeless slaughter; but the South has not the moral dignity or greatness to look the fact fairly in the face and lay down its arms. All magnanimity, dignity, elevation, all *morale*, is utterly gone out of the souls of the Southern leaders and people. Discord and dissension, faction, mean, miserable quarrels, are now the only signs of political life the rebellion gives; and the Southern armies are broken into cowardly congregations of ruthless wretches, lost to all hope of success, to all discipline and to all else save a wholesale fear of "the Yankees." One fact in the history of the rebellion has mainly caused this. It is a direct result of the absolute collapse of the rebel finances. The present condition of the South is but one more illustration of the severe truth that the power to carry on war is merely the power to pay, and that war and money are, for belligerents, synonymous terms. Through the collapse of the Davis finances the whole life of the people subject to the sway of Davis has lost its aim. The fact or the idea of money is a necessary part of modern society. Money is the universal motive. It is the reason why the farmer plants and the scholar studies; why the negro owner upholds slavery, and why the Congressman blusters baldly. It is more than all, perhaps, the reason why the soldier fights. Patriotism! Of course. "The soldier," said a French general, "will fight without bread; but the horses have no patriotism—they want oats." Now after four years of a war like ours, soldiers like those who make up the Southern armies become brutes, the basest animals; they must have oats—food, clothes and money. Now the fact of money has no present existence in the Southern States. Nothing whatever "will pay," and society is demoralized as well as the army. The difficulty of the want of money is perhaps greater with the soldiers than with others, and it is not improbable that this difficulty influences the movement in favor of negro soldiers. The absence of pay will not affect soldiers who have always been slaves.

All the present evils of the South are due to the collapse of its finances; but to what is that collapse due? The rebel finances were entirely based upon cotton. The very value of this cotton to the rebellion was contingent upon the ability to land it in a foreign port. Therefore our blockade interfered materially with that value. In no point has our superiority to the Southern States in energy and spirit been so clear as in that of our supremacy on the seas. At the commencement we had some ships and the nucleus for a navy, but we had nothing that we would now call a navy. All of the immense power that we now have about has been built since the war began. And what has the South done in the same direction within that period? It placed the *Merrimac*, built the *Arkansas*, the *Mississippi*, the *Tennessee*, the *Alabama*, and a dozen other of the same experiments, all of which were failures in themselves or were rendered worthless by the failure to use them at the proper time. It has also put about five or six privateers, which pursued a consistently plundering career for a time, but had no effect upon the war. And that is all. Though the two sections of the country had almost an even start in this respect, we alone have built up a navy. Had the South also built a navy we could never, despite the grand achievements of our armies, have put the rebellion down. We could never have kept up the blockade we have, and the South would to-day have been in a very different condition from that in which we find it. It would have lost

its armies equipped and supplied, and doubtless the spirit of the people would have been kept up. It would have effected, also, in all probability, foreign recognition; and it would have had plenty of money. It is to our gallant army, then, certainly not less than to the navy, that the country owes the present admirable position of affairs—with the enemy beaten to the earth and the success of our cause absolutely certain. The navy is now, as ever, the powerful support of the constitution and the country.

The present condition of the Southern States

should serve us as an instructive example. Our finances have been based on no single product, but on all products, and on the general welfare and prosperity of the country. Within the borders of the Northern States we have had a condition of peace, stimulated by the spirit and the necessities of war. Our finances, therefore, have never been exposed to such an accident as that which has mainly broken down the finances of the rebellion; nor can finances based as ours are ever be so exposed. Therefore our positions are not parallel. But the instructive example of a community crushed by financial ruin is none the less clear. To keep this nation in the same powerful condition it is now in, let the administration keep up the finances. So long as they are founded on a good system and properly directed this country could carry on war indefinitely. England, not nearly so rich as we are in natural wealth, waged war for twenty years and then returned to specie payments. Direct the activity and energy of this great people in the war channel and we can do infinitely more. We would develop the science of war for the first time, and all other nations, France, England and Austria, would be pigmies to us in it. Nor would war really be a drain upon this nation. Only one point would be necessary for all, and that is that the national finances should be kept straight.

Indian Attack on Valley Station, Nebraska.

OMAHA, Jan. 23, 1865.

Three hundred Indians attacked Valley Station, four hundred and fifty miles west of here, this morning, and ran off six hundred and fifty head of cattle and burned one hundred tons of government hay.

A three hours' engagement then took place between the Indians and twenty soldiers. Twelve Indians were killed. No soldiers were killed.

Religious Intelligence.

SERVICES TO-DAY.

The twenty-first anniversary of the Sabbath School Missionary Society of the Central Presbyterian church, Broome street, between Elm and Marion, will be held this evening, at half past seven o'clock. Addresses will be delivered by the Rev. B. W. Chidlaw, the Rev. Thomas D. Anderson, D. D., and others. There will also be singing by the children.

The Rev. George F. Seymour will preach the 5th of the course of sermons on the Holy Scriptures, this evening, in the Church of the Transfiguration, Twenty-ninth street, between Fifth and Madison avenues. Subject—"The History of the English Translation."

The Rev. G. T. Flanders will preach in the Second Universalist church, corner of Second avenue and Eleventh street, to-day, at the usual hour.

At St. Ann's Free church, Eighteenth street, near Fifth avenue, the Rev. E. Benjamin will preach at a quarter to eight A. M., the pastor at half-past ten A. M. and at three P. M.—the latter service for deaf-mutes—and the Rev. Dr. Kerfoot, President of Trinity College, at half-past seven P. M.

A public meeting in behalf of the American Sunday School Union will be held in Lee avenue Baptist Church Hall, Brooklyn, this evening, at half-past seven o'clock. Address will be delivered by Stephen Paxton, Esq., the veteran Sabbath school missionary, of Illinois, and A. A. Smith, Esq., of Brooklyn. A collection will be taken up. Friends of the cause are invited to attend.

Samuel B. Bell will preach (D. V.) this day, in the Fifth-street Presbyterian church, between Broadway and Eighth avenue, at half-past ten A. M. and half-past seven P. M.

Professor Madison will preach in his church, in Forty-first street, near Sixth avenue, at half-past ten A. M. and at half-past seven P. M. Evening subject—"The Final Judgment."

The Rev. S. A. Corey will preach in the Murray Hill Baptist church, corner of Thirty-seventh street and Lexington avenue, at half-past ten A. M. and half-past seven P. M.

The Rev. Thomas Arncliffe, D. D., will preach in the Madison avenue Baptist church, corner of Thirty-seventh street, this afternoon, at three o'clock, the third in a course of ser